

war. The replies in respect of most of the queries have already been sent to C&AG. The Government is taking all appropriate actions, in an expeditious manner, after careful consideration of all relevant issues raised by the C&AG.

Retired defence officers as Arms Agents

4445. SHRI SURESH PACHOURI: Will the Minister of DEFENCE be pleased to state:

(a) how many retired defence officers have taken employment as arms agents in private companies during the last three years;

(b) Government's policy in this regard; and

(c) if there is no policy, whether Government would formulate any policy not to allow retired senior defence officers to join foreign companies dealing with defence equipments?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH):

(a) During the last three years no retired defence officer has sought permission for taking up employment as arms agent in private companies.

(b) A statement is attached. (See below)

(c) Does not arise.

Statement

Retired defence officers as Arms Agents

As per existing instructions, Defence Services Officers of the rank of Colonel or equivalent and above, who retire with pension, gratuity or any other benefits in respect of the services rendered by them, are required to obtain prior permission of the Government for accepting any commercial employment within a period of two years from the date of retirement. Before granting permission in such cases, Government have to satisfy themselves that:—

(i) Any officer who has had dealings with a particular firm and its sister concern before his retirement shall not be allowed to take up a job with that firm;

(ii) Any officer in an appointment dealing with contracts and procurement shall not be allowed to take up a job with a firm

and its sister concerns which has subsisting contracts(s) with Ministry of Defence;

- (iii) If the proposed appointment calls for marketing or liaison with defence establishments, such an appointment shall not be permitted;
- (iv) Appointments with companies/firms which operate in sensitive areas of defence procurement or which have subsidiary firms having contracts with Ministry of Defence shall not be permitted; and
- (v) Appointment with foreign Governments or foreign firms shall not be allowed (such restriction shall apply to only foreign companies *per se* and foreign companies investing in India, but not Indian companies entering into foreign collaboration. Apart from this, only those foreign companies shall be excluded, for purposes of commercial employment, which operate in the Defence Sector).

Defence Procurement

4446. SHRI RUMANDLA RAMACHANDRAIAH:

SHRI H. K. JAVARE GOWDA:

Will the Minister of DEFENCE be pleased to state:

- (a) the procedure in the service Headquarters for procurement of defence equipment;
- (b) whether any specific procurement demands are made or specify qualitative requirements are specified;
- (c) at what stage field trials are made before inviting purchase bids and when price negotiating begin;
- (d) whether Government propose to review the procurement systems; and
- (e) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH):

(a) The procurement of equipment for meeting the requirements of the Armed Forces is carried out in accordance with the provisions of Defence Procurement Procedure 1992, as modified from time to time.

(b) Induction of all new equipment for the Armed Forces is undertaken on the basis of 'Qualitative Requirements' (QRs) finalised by the users *inter alia* in consultation with Defence